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MEMORANDUM

Support of Arab Refugees

The bulk of assistance to Arab refugees is channeled through the United Nations Relief and Works Agency for Palestine Refugees in the Middle East (UNRWA). The United States underwrites 40% to 50% of UNRWA's budget; Arab states contribute only 2% and no other single contributor provides more than 4%. Additional amounts, not included in UNRWA totals, are provided by the governments of Syria, Lebanon, Jordan, and Israel, where the refugee camps are located. These host country expenditures generally supplement and complement UNRWA activities. Other small sums are received indirectly from the PLO. A one-time Arab contribution to the refugees occurred last year when several governments gave Lebanon \$12 million for rebuilding and repairing buildings in refugee camps damaged in Israeli air strikes (the PLO received directly another \$4 million).

An estimated 750,000 Arabs were originally displaced by the 1948 war and creation of the State of Israel. Most of these unskilled Palestinians moved to temporary camps set up by various international service organizations in Jordan's East and West Banks and in the Gaza Strip, while the remainder went to Lebanon and Syria. In 1950 the newly created UNRWA began a program of welfare and public services that included food, clothing, shelter, medical care, education, and special hardships assistance. More than 150,000 West Bank refugees became twice displaced as they, along with 100,000 West Bank residents, moved to the East Bank of Jordan following the 1967 war.

The number of refugees has grown through natural increase to approximately 1.5 million. (For size and location of refugee camps, see the accompanying map.) Those who have found housing and employment outside the camps continue their refugee registration as a protest to support a claim for repatriation or compensation. Many of these people participate in UNRWA-provided educational and medical services even though they are self-supporting.

The UNRWA budget totaled \$79 million in 1974 and is expected to be funded at \$120 million in 1975. As shown in the table, the 50% rise in outlays between

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UNRWA Budget

	Million US \$		
	1972	1974	1975 (Proposed)
Expenditures	52.8	78.8	120.2
Relief	13.8	25.8	51.1
Health	7.0	9.6	11.5
Education	24.3	35.4	45.0
Administration, transportation, and other	7.7	8.0	12.6
Revenues	51.5	60.1	
US contributions	24.4	23.2	39.2 ¹
Arab contributions	1.2	1.5	Unknown
Other government contributions	23.8	24.4	Unknown
International agencies and non- government	0.7	9.3	Unknown
Miscellaneous income	1.4	1.7	Unknown
Budgeted deficit	1.3	18.7	Unknown

1. Includes a \$6 million special contribution for commodity assistance.

1972 and 1974 resulted mainly from increased food costs and higher salaries, particularly for teachers.

UNRWA officials have experienced problems funding their expanded budget, and the gap between revenues and expenses has increased sharply. Financial difficulties stem from a lack of enthusiasm for increased support from contributors. The Arab countries in particular are reluctant to increase their contributions in spite of their new-found wealth on political grounds - increased financial support would enhance refugees assimilation in the host countries and lessen their claim for a Palestine homeland.

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